

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: April 20, 2005

Division: County Attorney

Bulk Item: Yes X No     

Department: Risk Management

**AGENDA ITEM WORDING:** Approval to accept proposal from Arthur J Gallagher & Company to provide Liability Insurance for Bayshore Manor with Lantana Insurance Company at a cost of \$14,829.

**ITEM BACKGROUND:** This proposal provides insurance coverage for General Liability and Wrongful Acts/Vicarious Liability for abuse as required to maintain our State of Florida Assisted Living Facility License.

**PREVIOUS RELEVANT BOCC ACTION:** Approved proposal from Arthur J. Gallagher & Company in 2003 providing insurance coverage.

**CONTRACT/AGREEMENT CHANGES:** Lantana Insurance Company is a different insurance company than last year. Current carrier (TIG Insurance) declined to renew coverage. Policy period is 4/30/05-4/30/06. Premium is increased by \$1,908 or 14.8%.

**STAFF RECOMMENDATIONS:** Approval

**TOTAL COST:** \$14,829

**BUDGETED:** Yes X No     

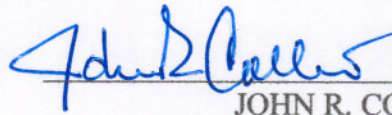
**COST TO COUNTY:** \$14,829

**SOURCE OF FUNDS:** primarily ad valorem

**REVENUE PRODUCING:** Yes      No X **AMOUNT PER MONTH**      **Year**     

**APPROVED BY:** County Atty X OMB/Purchasing X Risk Management X

**DIVISION DIRECTOR APPROVAL:**

 03/22/05  
JOHN R. COLLINS

**DOCUMENTATION:** Included X To Follow      Not Required     

**DISPOSITION:**     

**AGENDA ITEM #**



**MONROE COUNTY BOARD OF COUNTY COMMISSIONERS**

**CONTRACT SUMMARY**

Contract with: Arthur J. Gallagher & Co Contract #             
 Effective Date: 4/30/05  
 Expiration Date: 4/30/2006

Contract Purpose/Description:  
Bayshore Manor Renewal

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Contract Manager: Maria Slavik 3178 County Attorney #7  
 (Name) (Ext.) (Department/Stop #)

for BOCC meeting on 4-20-05 Agenda Deadline: 4-5-2005

**CONTRACT COSTS**

Total Dollar Value of Contract: \$ \$14,829 Current Year Portion: \$             
 Budgeted? Yes ☒ No ☐ Account Codes: 503-08502-530-450-  
 Grant: \$            - - - -  
 County Match: \$            - - - -

**ADDITIONAL COSTS**

Estimated Ongoing Costs: \$           /yr For:             
 (Not included in dollar value above) (eg. maintenance, utilities, janitorial, salaries, etc.)

**CONTRACT REVIEW**

	Date In	Changes Needed	Reviewer	Date Out
Division Director	<u>03/29/05</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>John S. Corley</u>	<u>03/29/05</u>
Risk Management	<u>3-31-05</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>M. Slawik</u>	<u>3-31-05</u>
O.M.B./Purchasing	<u>          </u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>Sheila A. Barker</u>	<u>4-1-05</u>
County Attorney	<u>03/29/05</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>John S. Corley</u>	<u>03/29/05</u>

Comments:



# INTERISK CORPORATION

Consultants

Risk Management  
Employee Benefits

1111 North Westshore Boulevard  
Suite 208  
Tampa, FL 33607-4711  
Phone (813) 287-1040  
Facsimile (813) 287-1041

March 29, 2005

Ms. Maria Slavik  
Risk Management Specialist  
Monroe County  
502 Whitehead St.  
Key West, Florida 33040

Subject: Renewal of Bayshore Manor Liability Insurance

Dear Maria:

When I returned from my vacation this morning, I noticed that Gallagher has submitted a proposal for the renewal of Bayshore Manor's Liability insurance. As we have discussed several times, obtaining quality insurance for Bayshore presents several challenges. The most challenging one is the fact that only a few insurers have the resources and desire to provide insurance for assisted living facilities. Many facilities throughout the State pay premiums that are equal to the policy limits of liability simply to comply with State regulations.

The fact that Bayshore is considered a small facility with only a sixteen (16) licensed beds makes it even less attractive to the insurance industry. The premiums for such a policy are normally based on the number of licensed beds the facility has. With only 16 beds, a number of insurers believe that there is not enough premium to support the potential exposure.

A third challenge is the fact that the facility is owned and operated by a governmental entity. Many insurers do not view governmental entities as an acceptable risk to insure.

The current program for Bayshore is provided by Lantana Insurance Ltd on a claims made basis with a retroactive date of April 16, 2004 for General Liability claims and April 16, 2003 for the facilities Wrongful Acts and Vicarious Liability coverage. Lantana enjoys a favorable rating from the A.M. Best and Company, the leading evaluator of insurance company operations. The premium for the period April 16, 2004 to April 16, 2005 was \$12,921. On March 23, 2005, Lantana agreed to extend the policy by 14 days until April 30, 2005 for an additional premium of \$995.

Lantana has agreed to renew the current program for an annual premium of \$14,829. This represents an increase of \$1,908 (14.8%) over what was paid for the 2004/2005 policy. With the challenges assisted living facilities face in obtaining quality insurance, it is believed that Lantana's renewal proposal has to be viewed as being favorable and it is recommended that Bayshore Manor renew its Liability insurance with Lantana as proposed by Arthur J. Gallagher for the period April 30, 2005 to April 30, 2006.

The \$14,829 does not include coverage for Terrorism acts as mandated by the Terrorism Risk Insurance Act of 2002. If the County wants to purchase this added protection, Lantana will charge an additional

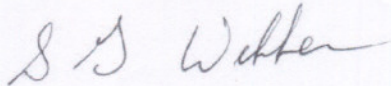


premium of \$130. It is not believed that Bayshore is a high terrorist target and it is recommended that terrorism coverage not be purchased at this time.

As always, please do not hesitate to call if you have any questions.

Cordially,

INTERISK CORPORATION

A handwritten signature in dark ink, appearing to read "S G Webber". The signature is fluid and cursive, with the first two letters of each name being capitalized and prominent.

Sidney G. Webber  
CPCU, ARM